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Supreme Court, U.S.
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No. 97-1130

In The

Supreme Court of the United States

October Term, 1997

WAYNE K. PFAFF,

Petitioner,

v.

WELLS ELECTRONICS, INC.,

Respondent.

On Petition For A Writ Of Certiorari
To The United States Court Of Appeals
For The Federal Circuit

RESPONDENT'S BRIEF IN OPPOSITION

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PARTIES TO THE PROCEEDING

The petition accurately lists the parties in the proceeding.

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STATEMENT OF THE CASE

With regard to the comment made by the petitioner at the top of page 4 of the petition, the District Court did not find that the Pfaff invention was totally new, but rather it "appears" to be totally new with respect to each component part. App. 126.

Mr. Pfaff's development of his invention and his offer of sale prior to the critical date on April of 1981 covers several factual findings and developments not specifically identified or mentioned by the petitioner. These facts and circumstances are specifically described in the District Court's opinion at App. 121-123 and are further summarized in the Federal Circuit's opinion at App. 9-11. Prior to the critical date, Pfaff received a substantial purchase order from a company called Delta V on behalf of Texas Instruments for 30,100 sockets intended for production use. Mr. Pfaff completed detailed engineering drawings of his concept even before the written purchase order was issued with the drawings being sent to a company which was to turn-key or produce the sockets on behalf of Mr. Pfaff. This turn-key or production company completed at least one of its own drawings prior to the critical date. Mr. Pfaff further indicated that it was not his practice to produce prototypes since he goes strictly from drawings to hard tooling. Mr. Pfaff indicated that when he came up with his initial drawings his idea was going to work. Mr. Pfaff further indicated that he considered the purchase order to be a "go" situation and that he had a "deal," all prior to the critical date.

REASONS FOR DENYING THE WRIT

I. The Federal Circuit's Decision Invalidating the Pfaff Patent Represents an Appropriate Interpretation of 35 U.S.C. Section 102(b).

Section 4886 of the Revised Statutes which initially included a two year statutory grace period regarding public use or on sale and which was amended in 1939 to a one year statutory grace period, referred in the alternative to the applicant's "invention or discovery thereof." Thus, from an interpretive standpoint the public use or on sale referred to an "invention or discovery" with no particular definition being given to either term. Under the Revised Statutes, there was no apparent definitive discussion within the legislative histories or from a literal reading of the statute to understand the parameters of what is an invention or discovery and to what extent such invention or discovery has to be developed for the purpose of starting the grace period allowed by the Revised Statutes. A fully constructed and developed invention will of course comply, but what of something less than a full development when considering offering for sale. As to what is an invention or discovery under the Revised Statutes with regard to a public use appears to allow a more definitive definition of the inventive object than in defining the status of the inventive object when referring to an on-sale or offering for sale as the statute allowed.

Upon the enactment of the 1952 Patent Act, Section 4886 of the Statute was rewritten as Section 102. The use of the alternative "invention or discovery" was omitted with the word "invention" only remaining. Even as early as 1981 as stated in *General Electric Co. v. United States*,

654 F.2d 55, 62 (Ct. Cl. 1981), there were exceptions to the then practice of some courts requiring a reduction to practice before the prohibitory bar of Section 102(b) was to be invoked. Mr. Pfaff, the inventor, knew full well and expressed the unqualified opinion that his devise would work or function, stated he had a sale or deal, and produced detailed engineering drawings of his device, all prior to the critical date. Some of these drawings produced by Pfaff prior to the critical date find almost exact correlation with the patent drawings utilized in his patent application. Thus, the only, and obviously the most beneficial, embodiment of Mr. Pfaff's invention was perfected prior to the critical date and formed the subject matter of the patent application which matured into the patent in suit.

Contrary to the assertion made by the petitioner in footnote 1 on page 6 of his petition, Section 102(g) of the Patent Act of 1952 does not define the term "invention." Dates of conception and reduction to practice are used to determine only priority of invention under sub-section (g).

As stated in *Ferag AG v. Quipp, Inc.*, 45 F.3d 1562 (Fed. Cir. 1995), the foremost policy of Section 102(b) regarding on-sale determinations is to prevent inventors from exploiting the commercial value of their inventions while deferring the beginning of the statutory period. Thus, "the inventor is strictly held to the requirement that he file his patent application within one year of any attempt to commercialize the invention." *Id.* at 1566.

II. The Standard Applied by the Federal Circuit Does Not Constitute a Violation of the Fifth Amendment of the Constitution.

During the course of the Indiana suit by Mr. Pfaff against *Wells Electronics, the UMC Electronics Co. v. United States*, 816 F.2d 647 (Fed. Cir. 1987) case had been decided and its holding that a reduction to practice would not always be a requirement for the on-sale bar was a part of then current law considered by the District Court in Indiana (see App. 198). Mr. Pfaff at the time of the Indiana appeal never raised any contention that the application of the UMC Electronics case holding considered by the Indiana District Court was in violation of any Constitutional provision. Nor was there any objection by Mr. Pfaff on a Constitutional basis of the application of the UMC Electronics doctrine during the trial and subsequent judgment in the Dallas case (see App. 124). Additionally, there was no objection upon a Constitutional basis of the UMC Electronics doctrine during the appeal procedure before the Federal Circuit which resulted in the September 8, 1997 appellate decision being appealed from.

Mr. Pfaff states at page 14 of his petition that the "Federal Circuit's decision in this case rejects the law as it existed at the time of the petitioner's April 1982 patent application." This is not true. In the *UMC Electronics* case, at page 656, the Federal Circuit Court made it clear that "reduction to practice has not been and should not be made an absolute requirement of the on-sale bar." The court explained that they had never been squarely presented with the issue before that time and it could "not be said that this court has taken a definite position either way" on the issue. *Id.* at 654. Therefore, contrary to Mr.

Pfaff's contention, the law as it existed at the time of his patent application did not absolutely require a reduction to practice.

CONCLUSION

For the reasons given above, the petition should be denied.

Respectfully submitted,

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